

State of South Dakota

SEVENTY-FIFTH SESSION LEGISLATIVE ASSEMBLY, 2000

400D0326

SENATE BILL NO. 35

Introduced by: The Committee on Commerce at the request of the Department of Commerce
and Regulation

1 FOR AN ACT ENTITLED, An Act to provide for additional grounds for an order of ineligibility
2 for a surplus lines insurer.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-32-24 be amended to read as follows:

5 58-32-24. The insurer with which surplus line insurance is placed shall be in compliance with
6 either subdivision 58-32-22 (1), (2), or (3) and not be ineligible as a surplus line insurer by order
7 of the director received by or known to the broker. The director may issue such an order of
8 ineligibility if the director finds or has reason to believe that the insurer:

- 9 (1) Does not meet the requirements of §§ 58-32-21 to 58-32-25, inclusive; ~~or~~
- 10 (2) Has without just cause refused to pay claims arising under its contracts in the United
11 States or has otherwise conducted its affairs in such manner as to result in injury or
12 loss to the insuring public of the United States; ~~or~~
- 13 (3) Has failed to file the annual statement required in § 58-32-16.1;
- 14 (4) Has failed to provide information within twenty days of a request from the division;
- 15 (5) Has utilized surplus lines brokers who were not properly licensed in this state; or
- 16 (6) Has failed, within thirty days after notice, to remit or cause to be remitted any surplus

1 lines tax due from an unlicensed surplus lines broker.